WHAT IS A PROBLEM STATEMENT?

Use this to understand why it's important to make a problem statement in the beginning of the creative problem solving process

Do you know what problem you want to solve? Try asking the 5 Ws: Who? Where? What? Why? When?

1. A problem statement is one sentence that sums up what you want to change.

2. It helps you find more useful solutions by providing a clear and inspiring aim.

3. You make a problem statement before you start thinking of solutions.

A PROBLEM STATEMENT IS A GUIDING STAR FOR YOUR CREATIVE THINKING.

Business Problem Statement - Template 1

I am	*[Describe customer with 3-4 key characteristics - who are they?]*	Describe the customer and their attributes here
I am trying to	*[List their outcome or "job" the care about - what are they trying to achieve?]*	List the thing they are trying to achieve here
But	*[Describe what problems or barriers stand in 'the way—what bothers them most?]*	Describe the problems or barriers that get in the way here
Because	*[Enter the "root cause" of why the problem or barrier exists — what needs to be solved?]*	Describe the reason the problems or barriers exist
Which makes me feel	*[Describe the emotions from the customer's point of view — how does it impact them emotionally?]*	Describe the emotions the result from experiencing the problems or barriers

Business Problem Statement - Template 2

What? _____

A problem statement is usually one or two sentences to explain the problem your process improvement project will address. In general, a problem statement will outline the negative points of the current situation and explain why this matters. It also serves as a great communication tool, helping to get buy-in and support from others.

Why? _____

One of the most important goals of any problem statement is to define the problem being addressed in a way that's clear and precise. Its aim is focus the process improvement team's activities and steer the scope of the project.

How? _____

Creation of a problem statement is an activity that is best completed in a small group (4-6 people). It is helpful to have a couple of people who are involved in the process and a process owner involved in the activity.

1. Get each person to write his or her own problem statement without conferring. Compare each of the sentences/ looking for common themes and wording.
2. Start to write an improved statement using the common themes.
3. Ensure that the problems include the customer's perspective
4. Ensure that the statement focuses on existing problems.
5. Try to include the time frame over which the problem has been occurring.
6. Try to quantify the problem. If you do not have the data to hand, defer writing the final problem statement until you have been able to quantify the problem

Why Is A Problem Statement Important?

A problem statement is an important communication tool because it establishes a foundation for research and development. It gives a comprehensive view of what is going on to the people who can make a sizable shift in the organisation's objectives.

It is important because it examines an issue from multiple angles. It identifies who the problem impacts, what the impacts are, where the problem occurs and why and when it needs to be fixed. This helps organisations determine the extent of an issue. Thus, a problem statement ensures individuals investigate the entire scope of an issue and approach the solution with clear goals in mind.

It is essentially the beginning of a new project. It sets the criteria for dealing with a problem and gives them a framework to execute it to a high standard. Near the project's completion, this statement can help you verify if the solution addressed the initial problem effectively.

How To Write A Problem Statement?

A problem statement needs to communicate the extent of an issue and the resources you require to solve the problem. Thus, it is required to be accurate and clearly written. Here are the key steps you are required to follow closely when crafting a problem statement:

1. Put the problem in the context

Before you write, you require to have a clear picture of the problem itself. Since you are addressing individuals with no background on the topic, you require to provide adequate context for them to understand the scope and urgency of the issue. In other words, you are required to describe how things should work.

At this stage, you want to discuss the what, where, when and who, regarding the problem. Think about these additional questions to help you frame an impactful problem statement:

- Is the problem limited to a certain demographic or region?
- Which people have attempted to solve the issue?
- What do people already know about the issue?

2. Explain the relevance of the problem

The problem statement is required to address not only what the problem is but why it is important to solve. This is the part where you grab the reader's attention by specifying the seriousness of the issue. You require to communicate why it matters to them and the potential dangers if it goes unsolved. Sometimes a problem's relevance is not immediately obvious; that is

why doing your due diligence in defining and describing the problem accurately is an important first step.

To clarify why your problem is significant, address the following questions:

- Who would feel the consequences of the problem?
- What is the financial impact of the problem?
- Does the problem have any relevance to other areas of the business?
- Does the problem impact the wider society?
- How would solving the problem increase our understanding of the business?

3. Backup your claims

Quantifiable data ensures people understand the relevance and scope of a problem. Using evidence to back up your problem statement would make people take the issue seriously. Knowing your numbers also boosts your credibility. It can also mobilise a faster response to the problem. For example, if a problem has diminished sales in the past few weeks, showing these statistics immediately communicates the extent of the issue.

4. Propose a solution

After doing a thorough investigation into the problem, you would have a solid grasp of how the problem occurred. Thus, you require to propose a practical solution or suggest several approaches to understanding and rectifying the issue at this stage. State your objectives by suggesting well-thought-out plans for combating the issue.

5. Explain the benefits of your proposed solution(s)

Demonstrate why the solution would work with practical examples of how it might effectively address the problem. Explain how solving the problem would benefit the organisation. Focus on the financial benefits of solving the problem and the impact on customer satisfaction.

Problem Statement Template

Problem statements usually follow the same general format, though they may fluctuate in length depending on the complexity of the issue. Here is a basic template you can follow when writing your problem statement:

**** Problem Using one sentence, define the problem.

Background:
In this section, use evidence to describe and explain the context of the problem.

Relevance:
In this section, describe why the problem matters.

Objectives:
In your conclusion, propose solutions to the problem based on your research and understanding of it.

Problem Statement Example

Here is an example of a basic problem statement that clearly defines the issue and puts it in its relevant context:

Problem

ABC Supermarket customers in the northern region of Uttar Pradesh have significantly decreased over the past decade, while other areas of the state continue to see increasing numbers of sales at physical retail stores.

Background

Surveys conducted by ABC Supermarkets suggest that sales are lowest among people between the ages of 18 to 30 and low-income households (making under five lakh rupees for a four-person household annually). The research conducted on sales patterns in other northern Indian states suggests that this could indicate a broader trend. Still, this region's demographics suggest that it could become a more significant problem.

Statistics from the 2019 Indian Business Review show that consumer spending within this demographic is at an all-time high. The study attributed these findings to the increase in disposable income and quality of life among city dwellers. The 2019 Indian Fitness Journal also shows increased consumer interest in diet and health among people between the ages of 18 to 25.

Other parts of the country have made attempts and succeeded, to a degree, to improve sales, but similar solutions have not had the desired effect here in northern Uttar Pradesh. More research is needed on the reasons these attempts have failed and what strategies might have more of an impact on reaching younger and lower-income households.

Relevance

Areas with low supermarket sales have historically been shown to have lower disposable income levels and higher numbers of instances of civil unrest. Most recently, this has become increasingly concerning for parts of India where the wealth gap continues to grow wider (as shown in reference attached). Data shows that consumer shopping habits are also increasingly

transitioning online, as competitors provide cost-effective bulk discounts and free delivery for heavy items (see reference below).

Addressing this problem would give ABC Supermarkets' store managers in the region much-needed insights to help them adjust their customer service strategies to include more of the residents of this region. It would also contribute to gaining a more nuanced understanding of consumer behaviour trends.

Objectives

This research aims to examine proactive engagement plans to increase sales in the northern region of Uttar Pradesh. It would distinguish the largest determinants of consumer buyer behaviour through surveys and interviews designed to observe the impact of each of these strategies on sales.

*********** The document is jointly prepared by **Dr. Aaditya** and **Dr. Ashwin** ***********